



NEWS RELEASE

Office of the United States Attorney
Eastern District of Texas

FOR IMMEDIATE RELEASE

DATE: July 27, 2005

Contact: Davilyn Brackin
Public Affairs Specialist

(409) 839-2538

FLOWER MOUND MAN CONVICTED OF SECURITIES FRAUD

(Sherman, Texas) The President and CEO of a North Texas oil company has been convicted of defrauding the company's investors. A federal jury convicted **NICHOLAS W. MITSAKOS II**, President and CEO of Petromerica Resources and Fidelity Associates, of securities fraud, wire fraud, and mail fraud. The verdict was returned on July 21, 2005.

According to evidence presented in court, from March 2000 through February 2001, Mitsakos directed Petromerica employees to contact potential investors to solicit investments in specific Petromerica oil and gas projects. Mitsakos also caused written materials concerning the projects to be sent to the potential investors. Mitsakos knew that the written materials portrayed to investors that their money would be used to carry out those specific projects. He also knew his employees were representing the same thing to investors. The evidence demonstrated that Mitsakos knew these representations were false and that he spent investors' money for other purposes.

Mitsakos faces up to five years in prison and a fine of up to \$250,000. Once a presentence investigation is complete, U.S. District Judge Richard Schell will set a sentencing date.

--more--

Matthew D. Orwig, U.S. Attorney for the Eastern District of Texas, praised the work of the FBI and Texas State Securities Board for uncovering this fraud, "This case is a prime example of how these agencies work together to protect investors from fraudulent schemes. Investors are encouraged to be cautious when considering new investments, do your research, check references, and don't hesitate to contact the proper authorities if a deal appears fraudulent."

The investigation was jointly conducted by the Plano Office of the FBI and the Texas State Securities Board. The case was part of the work of the North East Texas Securities Fraud Task Force. The Task Force, which is coordinated by the U.S. Attorney for the Eastern District of Texas, is composed of several federal investigative agencies and investigators from the Securities And Exchange Commission and the Texas State Securities Board. Assistant U.S. Attorneys Terri L. Hagan and Shamoil T. Shipchandler prosecuted the case.

###